

**State of California**

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**Legislative Change No.**

**07-16**

Bill Number: SB 788 Author: Cogdill Chapter Number: 07-306

Laws Affecting Franchise Tax Board: Section 25114 of the Revenue and Taxation Code

Date Filed with the Secretary of State: October 5, 2007

SUBJECT: Water's Edge Audits

**Senate Bill 788 (Cogdill), as enacted on October 5, 2007, made the following changes to laws impacting the Franchise Tax Board:**

Section 25114 of the Revenue and Taxation Code is amended.

This act eliminates the mandate for Franchise Tax Board (FTB) to conduct a detailed examination of water's-edge tax returns.

This act is effective on January 1, 2008, and applies to audits commenced on or after that date. For this purpose, an examination will be considered commenced when a taxpayer is first contacted by the FTB concerning any examination of a taxpayer's return.

This act will not require any reports by the department to the Legislature.

Assistant Bureau Director

Patrice Gau-Johnson

Date

11/5/07